

2006 Legislative Talking Points



Office of Child Care
Office of Work & Family Life
Department of Workforce Services
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Why Are We Here?

TO SERVE FAMILIES

The Federal Child Care and Development Fund (CCDF) funds most of the activities of the office. The purpose of the CCDF is to increase the availability, affordability, and quality of child care services. This includes:

- Providing low-income families with the financial resources to find and afford quality child care for their children;
- Enhancing the quality and increasing the supply of child care for all families, including those who receive no direct assistance under the CCDF;
- Strengthening the role of the family;
- Improving the quality of child care programs and early childhood development programs; and
- Increasing the availability of early childhood development and before and after school care services.

In Utah there are currently more than **300,000** children under the age of 12 who have both parents working or live with a single working parent. That's almost 60 percent of all Utah children under 12.

The percentage of working mothers in Utah is higher than the national average. In Utah, **59%** of mothers with preschool age children and **74%** of mothers with school-age children work.

Utah children under age 6 w/both or only parent in the labor force: **126,183**

School age Utah children w/both or only parent in the labor force: **141,048** *(unofficial estimate)*

Where Is Child Care Needed?

OFFICE OF CHILD CARE NEEDS ASSESSMENT

Each year, the Office of Child Care's Needs Assessment quantifies the amount of quality child care needed to serve the state's growing population. The Child Care Density (CCD) is calculated using the number of regulated spaces per 100 children. Results show that in 2004, more than half of the counties in the state do not meet the recommended CCD.

The most significant gap in services lies with infant/toddler care and care for school-age children.

This great demand for quality child care in Utah will only continue to grow: Utah has the highest birthrate in the country, the youngest population in the country, and a higher than average ratio of school-age children to adults.

SUBSIDIZED CHILD CARE CASELOAD GROWTH

Number of children in regulated subsidized child care 2004: **6,528**

Number of children in regulated subsidized child care 2005: **7,622**

Percentage increase in one year: **17%**

How Do We Pay For Child Care?

BUDGET & FUNDING

Child Care Development Fund Block Grant

- CCDF grant money is available to Utah based on a matching system. The CCDF match rate for FFY05 was 2.48 to 1. That means that for every dollar the State provided, the Federal government provided \$2.48.

Opportunities for More Funding

- Last year, State funds appropriated were only enough to access about 20% of the CCDF. With about \$3.3 million more, the State could have drawn down the full match, totaling nearly \$15 million dollars. The added impact to Utah's economy from the circulation of this additional money would have been approximately \$22 million.
- Gov. Huntsman's budget request for the coming year of \$2.7 million in one-time General Funds will draw down more than \$6.5 million in CCDF matching funds. These funds will be used to support subsidized child care caseload growth.

If Utah drew down the full CCDF match, how would it be used?

- Priority #1: Supporting the child care caseload growth.
- Priority #2: Increasing the amount of child care subsidy available to working parents.
- Priority #3: Raising the income threshold for parents in need, and refining an income threshold system to allow for parents to move in and out of the program gradually.

Who is Caring for Our Children?

CHILD CARE WORKFORCE

- Although Utah has the 11th highest household income in the United States, wage levels for the child care industry in Utah are very low, falling below the national average for workers in the same field.
- The average hourly wage for a child care center teacher is \$7.24 – about the same as a parking lot attendant.
- The average hourly wage for a family provider is \$4.90 for a 49-hour work week.
- Utah child care centers reported a 31% staff turnover rate from the previous year—improved access to training, education, and health benefits would help reduce that turnover.
- There are 435 employment sectors in Utah.
Child care ranks:
 - 46th in total employment (about 8,000 workers)
 - 126th in annual gross receipts (about \$250 million)
 - 433rd in wage level (\$7.24/hr for the average worker)

What is the Return on Investment of Quality Child Care?

BOLSTERING UTAH'S ECONOMY

- The gross household income made possible by use of paid child care generates about **\$24 million per year in state income taxes**—more than four times the amount of state funding provided to the Office of Child Care. This income also leads to additional state sales tax revenues.*
- The \$24 million in state income taxes resulting from household income made possible by regulated child care also recirculates as the state government purchases local goods and services and pays its employees. The total economic impact of this financial stream is **approximately \$38 million.***
- Utah parents who rely on child care supply an estimated **\$820 million** to the Utah economy.*
- The total economic impact on Utah's labor force amounts to more than **40,000 jobs.***

**All data from BBC Economic Impact Study, 2004*

What can the future look like?

THE PERRY PRESCHOOL STUDY

A landmark, long-term study of the effects of high-quality early care and education on low-income three- and four-year-olds shows that adults at age 40 who participated in a quality* preschool program in their early years are more likely to have graduated from high school, are more likely to hold a job, have higher earnings, and have committed fewer crimes.

Overall, the Perry study documented a return to society of
more than \$17 for every \$1 tax dollar invested
in the early care and education program.†

*Quality child care has several indicators, including: caregiver-to-child ratio, educational level of caregivers, and stability of caregivers (e.g. children have the same caregiver, instead of a new one every few days or weeks).

†Reynolds, et al., 2002

Vision Statement

Quality, affordable child care
is available to every child
in Utah who needs it.

For more information, please visit:

www.jobs.utah.gov/occ
www.careaboutchildcare.org

If you care about child care, contact your legislator:

www.le.utah.gov/documents/find.htm

*A handy, wallet-sized quick-reference containing all of the above information
is available from the Office of Work & Family Life.*